

California Science Center Foundation

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May 29, 2013

Ms. Fabian Wesson
Chair, Board of Directors
California Science Center
700 Exposition Park Drive
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On behalf of the California Science Center Foundation, I am writing to express our opposition to the proposed agreement between the California Science Center Board of Directors and the University of Southern California as outlined in the Exposition Park/Coliseum Term Sheet of May 14, 2013 (“May 2013 Term Sheet”).

I. Proposed Agreement with USC Will Benefit a Private Institution

It is clear to the Foundation that the proposed May 2013 Term Sheet is not in the best interests of the California Science Center and State of California, and could have a profound effect on community education and access to museum facilities, for the following reasons.

1. The May 2013 Term Sheet favors sports and entertainment events at the expense of education of children and families, particularly impacting traditionally underserved children in what is one of the most diverse and low-income communities in the country;
2. The terms will result in the loss of critical state revenue that will be redirected to USC for the benefit of a large private institution. This revenue is vital to public safety and maintenance of Exposition Park and to operation of the California Science Center and California African American Museum;
3. Significantly, the May 2013 Term Sheet violates the law. It violates statutory requirement that the California Science Center “manage and operate its parking facilities in a manner that preserves and protects the interests of itself and the California African-American Museum and recognizes the cultural and educational character of Exposition Park” (California Food and Agricultural Code, Section 4106).

The publication of the May 2013 Term Sheet less than two weeks prior to public hearings and proposed approval shortly thereafter does not provide adequate time for review and productive discussion with the public. Providing the minimum legally required public hearing notice, and the resulting inability make the community aware of such significant policy changes being imposed upon them by a private interest, is a clear indication of USC’s intent to “rush” the action through.

We urge you to delay the proposed action to allow sufficient time for a responsible review of the terms and to work with the state’s partners, including the California Science Center Foundation, to address concerns and provide a win-win outcome acceptable to all the major stakeholders involved.



II. Impact of the California Science Center Foundation on Public Benefits

The California Science Center Foundation and California Science Center have served as a model public-private partnership for over 50 years. Together, we have created one of the world's foremost science learning institutions and one of Los Angeles' and California's outstanding educational attractions.

Last year, the California Science Center Foundation brought Space Shuttle Endeavour to California and the Science Center - managing the process and fully funding the cost of decommissioning the space shuttle, transporting it to LAX and the Science Center, constructing a temporary building and exhibits and operating the Samuel Oschin Pavilion in which Endeavour is exhibited.

The California Science Center Foundation has provided the leadership in fundraising for implementation of the Science Center's Master Plan - resulting in the investment of \$500 million in the California Science Center and Exposition Park. This investment includes the greening of the park with more open space and athletic fields for the surrounding community and increased access to the park. The Foundation provides the Science Center's exhibits and educational programs and has increasingly provided additional operating support as state funding has declined. When state budget reductions left the California Science Center unable to meet its lease obligations to the Foundation with respect to maintenance of the Phase II building for the past three years, the Foundation did not seek action to compel the state to meet its lease obligations. Rather, we increased our budget and have funded \$500,000 annually of building support staff to sustain operations. The difference as you know is the result of fundraising from private individuals, companies and foundations in what is one of the most challenging fundraising climates ever.

Moreover, the California Science Center Foundation issued bonds and built the Science Center's Phase II project. We are concerned that the impact of the proposed terms on the bonds and bondholders has not been considered. In addition, as the Science Center moves forward with its latest Phase III efforts, we must note that all of the grants and gifts that have been made to the Foundation were given in the spirit of the legislation ensuring the availability of parking to encourage access to all of Southern California and in particular the communities surrounding Exposition Park. The donors did not contribute their resources for a privately held interest to determine which days the school children, families and the community are able to enjoy the museums and educational facilities.

III. Exposition Park/Coliseum Term Sheet Violates State Law and Disregards the Science Center's Mandate to Provide Public Access to Cultural and Educational Facilities

Section 4106 of the California Food and Agricultural Code mandates that the California Science Center "manage and operate its parking facilities in a manner that preserves and protects the interest of itself and the California African-American Museum and recognizes the cultural and educational character of Exposition Park."

In contrast to the Science Center's statutory mandate to protect and maintain Exposition Park and the parking lots, and promote free access to education and culture, the May 2013 Term Sheet gives priority (and parking revenues) to USC's use of parking for sports and entertainment events over museum patrons and those utilizing Exposition Park's educational and cultural facilities. As summarized below, the May 2013 Term Sheet will confer benefits on USC to the detriment of the California Science Center.

1. **Appropriation of Museum Parking for USC Events.** For 25 days a year, potentially impacting half of the weekends in a year, USC has the right to reserve and control the vast majority of the parking in Exposition Park. This includes the California Science Center/California African American Museum parking structure built to meet the attendance needs of the Science Center by federal funding secured by the California Science Center Foundation. The May 2013 Term Sheet stipulates that the number of parking spaces provided to USC is determined based only on commercially reasonable determination of the needs of the event, with no consideration given to the needs of the educational and cultural facilities.
2. **Inadequate Consideration for Bus Parking for Schoolchildren and Tourists.** Busses cannot park or drive on the parking structure. Hundreds of thousands of school children and other youth arrive at the California Science Center each year on busses. As well, the Science Center has become a major tourist attraction for Los Angeles and California, bringing valuable economic benefits to the community and region. In recent months, the Los Angeles Tourism and Convention Board has made the California Science Center a feature of national and international promotions, including working with tour operators from China, Japan and England to develop further interest in the Science Center and Los Angeles as a destination. Tour operators book months to a year in advance and must have assurance of access to the site with their tour busses. The only consideration provided in the proposed term sheet is to allow school bus parking on weekday USC football game days until three hours prior to commencement of the game. On all other event days, there is no assurance that school or tour busses will have any available parking.

The May 2013 Term Sheet does not accommodate the California Science Center's statutory duty to operate and manage the parking facilities in a manner that preserves and protects the interests of the Science Center and African American Museum and restricts the availability of parking for the educational and cultural institutions of Exposition Park.

IV. Proposed Agreement Will Have a Negative Financial Impact on California

In addition to the harm summarized above that will be suffered by the public who seek to benefit from the California Science Center and California African American Museum, the May 2013 Term Sheet will have significant negative impact on the state's finances. The bottom line is that USC is a private institution and will literally take public resources as a gift, depriving the state of critical funds necessary to maintain and operate Exposition Park, the California Science Center and California African American Museum. This issue is summarized below.

1. **Exposition Park Improvement Fund Will Lose Revenues That Will Go to USC.** Parking rates for events in the Los Angeles Memorial Coliseum and Sports Arena currently range from \$10-\$35, depending on the nature of the event. All net revenues from event parking go to the state's Exposition Park Improvement Fund. The May 2013 Term Sheet provides that parking for USC football will be \$25 and parking for other events will equal the daily rate for parking in Exposition Park - the same \$10 rate charged to visitors to the museums and park. Retaining low parking rates for USC so the university can resell parking at a profit denies needed funds to the state for public safety and operation of Exposition Park and its museums.
2. **USC Will Pay for Football Game Parking at a 50% Discount.** For USC football games, the State currently sells parking on Exposition Park Drive for \$100. The May 2013 Term Sheet sells space on Exposition Park (North Coliseum) Drive for only \$50.

3. **USC Will Lease Parking from the Science Center at Reduced Rates to Allow USC to Resell at Significant Profit.** The proposal defines two rates for USC football parking - \$50 for VIP parking on Exposition Park Drive, South Coliseum Drive and State Drive and \$25 for all other parking. This \$25 rate is the same as that charged at parking structures on the USC campus. The May 2013 Term Sheet provides that parking rates will be established for VIP parking in very limited areas (the \$50 rate) and general parking. There is no recognition that reserved parking, steps from the Coliseum, is more valuable than general parking far from the stadium on the other side of the USC campus.

V. Exposition Park/Coliseum Term Sheet Lacks Clarity Concerning Material Terms

It is premature to approve any agreement with USC concerning the use of vitally important state property without an opportunity for public consideration. At a minimum, terms in the May 2013 Term Sheet are vague and ambiguous and appear to be designed to benefit USC to the detriment of the California Science Center, California African American Museum and the public. Certain of the problematic terms are summarized below.

1. **Event Scheduling.** The language in the May 2013 Term Sheet regarding scheduling of events is unclear. At a minimum, the number of Coliseum events allowed should not exceed the numbers authorized in the Coliseum Commission's current lease with USC.
2. **Exposition Park Master Plan.** The May 2013 Term Sheet includes an acknowledgment by USC of the Exposition Park Master Plan's potential impact on surface parking lots and USC's agreement to comply with the Master Plan. It should be revised to also reflect Master Plan changes not on the surface parking lots - such as completion of the promenades around the perimeter of the park.
3. **Signage and Advertising.** The May 2013 Term Sheet attempts to limit advertising on the exterior of the Coliseum, which impacts the rest of the park, by requiring removal of temporary signage within two business days of events. This limitation should be expanded to include similar provisions with respect to permanent signage such as billboard or electronic message signs on the exterior of the Coliseum.

VI. Counter-Proposal to the Proposed Agreement with USC

Before any agreement can be made between the California Science Center and USC, the parties must consider the Science Center's statutory mandate to preserve and protect the California Science Center for the public good and benefit of the Science Center and African American Museum. This includes the fact that revenues from the parking lots belong to the State of California. The California Science Center Foundation is available to work with the California Science Center in an effort to bring about a productive solution for the mutual benefit of all stakeholders and the public. We would start from the following minimum recommendations.

1. **Exclude Parking Structure, Exposition Park Drive and State Park Drive.** In December 2012, USC and the State and Consumer Services Agency proposed a lease agreement for parking lots that did not include the parking structure, Exposition Park Drive, Coliseum Drive or State Drive. **If this exclusion was acceptable to USC in December, why are these parking areas included in the May 2013 Term Sheet?** At an absolute minimum, exclude the California Science Center/California African American Museum parking structure, Exposition Park Drive and State Drive from this agreement. Over the past six months, California Science Center attendance on weekend days has ranged from 5,000 to 15,000. Typically, this level of attendance requires

parking spaces for between 1,000 and 3,000 cars for guests. Additional spaces are required for visitors to the California African American Museum and for staff and volunteers of both museums. According to statute, the parking needs of the museums must be met. Only after that, space in the structure may be made available for sports and entertainment events.

2. **Give Equal Consideration for Needs of Science Center, African American Museum, Etc.** Require that parking needs, including bus parking, of the California Science Center, California African American Museum and other educational and cultural facilities in Exposition Park are given at least equal consideration as the “commercially reasonable” needs of USC’s sports and entertainment events.
3. **Establish Separate Parking Rates For Special Events.** Establish separate parking rates for special events in the Los Angeles Memorial Coliseum and Sports Arena that are not the same as daily parking for use of museums and the park. At a minimum, the rate should be equal to the average parking rate currently charged for such events. Further, establish a reserved parking rate for USC football game parking that reflects rates for close-in reserved parking at similar stadiums.

VII. Conclusion

To reiterate, the California Science Center Foundation opposes the Exposition Park/Coliseum Term Sheet of May 14, 2013. We request that the Board of Directors delay action on the proposal to allow sufficient time for review and discussion among all the major parties to protect the best interests of the California Science Center, California African American Museum and State of California.

We look forward to your favorable response and extension of the public comment period to ensure a more reasonable and adequate amount of time for working families and other stakeholders to learn about this proposal and express their opinions in a public forum.

Sincerely,



Tom Soto
Chair, Board of Trustees
California Science Center Foundation

Xc: The Honorable Edmund G. Brown, Jr., Governor, State of California
California Legislative Black Caucus
Board of Directors, California Science Center
Trustees Task Force, California Science Center Foundation